

[For Information Purpose Only.]

The Japanese language press release should be referred to as the original.]

June 13, 2019

To All Concerned Parties

Name of REIT Issuer:

Invincible Investment Corporation
Naoki Fukuda, Executive Director
(Securities code:8963)

Asset Manager:

Consonant Investment Management Co., Ltd.
Naoki Fukuda, CEO
Contact: Jun Komo
General Manager of Planning Department
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Notice concerning Debt Financing (Refinance) and Execution of Interest Rate Swap Agreement

Invincible Investment Corporation (“INV”) has determined today to obtain new debt financing to refinance existing debt and has executed an interest rate swap agreement (the “Interest Rate Swap Agreement”) today with regards to the new borrowing. Details are as follows.

1. Reason for Borrowing

INV has decided to execute a new loan agreement (the “New Borrowing”) today in order to repay borrowings in the amount of JPY 1,000 million due on June 15, 2019, which is one of the tranches of the Term Loan (C) (Note1) with a total outstanding amount of JPY 3,000 million.

(Note 1) For details of the Term Loan (C), please refer to “4. Details of Loan to be Repaid” below and the press releases entitled “Notice concerning New Loan” dated June 13, 2016 and “Notice Concerning Prepayment of Loans” dated November 30, 2016. Since the maturity date (June 15, 2019) is a holiday (non-business day), as per the provisions of the contract, the repayment date will be adjusted to the following business day (June 17, 2019).

2. Details of the New Borrowing (anticipated)

< Term Loan (J) >

3-Year Tranche

- | | |
|-------------------------|---|
| (1) Lender | : Citibank, N.A., Tokyo Branch |
| (2) Borrowing amount | : JPY 1,000 million |
| (3) Interest rate, etc. | : 1-month JPY TIBOR (Base Rate) + spread (0.300%) (Note1) |
- Variable interest rate

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Invincible Investment Corporation

- (4) Borrowing method : Borrowing based on separate term loan agreement dated June 13, 2019
Unsecured / with no guarantee
- (5) Agreement date : June 13, 2019
- (6) Anticipated borrowing date : June 17, 2019
- (7) Interest payment date : (1) The last Japanese business day of each month before the principal maturity date, beginning with June 28, 2019, and (2) the principal maturity date
- (8) Principal repayment method : Lump-sum repayment on the principal maturity date
- (9) Principal maturity date : June 17, 2022

(Note 1) • Base rate applicable to each interest calculation period for the interests to be paid on the relevant interest payment date shall be the 1-month JPY TIBOR announced by Japanese Bankers Association two Japanese business days prior to the immediately preceding interest payment date (in case of the initial interest calculation period, two Japanese business days prior to the borrowing date).

- JPY TIBOR announced by the Japanese Bankers Association is available at its website (<http://www.jbatibor.or.jp/english/>).
- Details of our debt financing is available at the “Borrowings & Investment Corporation Bonds” page of INV’s website (<http://www.invincible-inv.co.jp/eng/cms/loan.html>).

3. Loan proceeds, use of proceeds and scheduled timing of disbursement

- (1) Loan proceeds
JPY 1,000 million
- (2) Use of proceeds
To be appropriated for the repayment of a tranche of Term Loan (C)
- (3) Scheduled timing of disbursement
June 17, 2019

4. Details of Loan to be Repaid Term Loan (C)

Lender	Borrowing Date	Balance before Repayment (JPY million)	Repayment Amount (JPY million)	Balance after Repayment (JPY million)	Interest Rate (annual)	Maturity Date	Borrowing Method
Citibank, N.A., Tokyo Branch	June 15, 2016	1,000	1,000	—	0.45818% (Note1)	June 15, 2019	Unsecured/ non-guaranteed
	June 15, 2016	1,000	—	1,000	0.55818% (Note1)	June 15, 2020	
	June 15, 2016	1,000	—	1,000	0.65818% (Note1)	June 15, 2021	
Total		3,000	1,000	2,000			

(Note 1) The interest rates applicable as of June 13, 2019 are shown.

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5. Details of the Interest Rate Swap Agreement

(1) Reason for Executing the Interest Rate Swap Agreement

In order to hedge the risk of interest rate fluctuations

(2) Details of the Interest Rate Swap Agreement

Counterparty	Notional Principal (JPY million)	Interest Rate (upper : fixed rate payable) (lower: floating rate receivable)	Agreement Date	Applicable Period	Interest Payment Date
Nomura Securities Co., Ltd.	1,000 (Note1)	0.34000 %	June 13, 2019	From June 17, 2019 to June 17, 2022	The last Japanese business day of each month and the last day of the applicable period
		One-month JPY TIBOR + 0.30000%			

(Note1) Equivalent to the principal amount of borrowing by the Term Loan (J) to be implemented on June 17, 2019. By this Interest Rate Swap Agreement, the interest rate of Term Loan (J) will be fixed, in effect, at 0.34000%.

(Note2) The initial interest calculation period is from June 17, 2019 (inclusive of the date) to June 28, 2019 (exclusive of the date and up to one day prior), and the interest calculation period thereafter will be from the immediately preceding interest payment date (inclusive of the date) to the relevant interest payment date (exclusive of the date and up to one day prior).

6. Future outlook

The impact of the New Borrowing and the Interest Rate Swap Agreement on financial results is minimal and therefore no changes are required for the forecasts of financial results for the fiscal periods ending June 2019 (from January 1, 2019 to June 30, 2019) and December 2019 (from July 1, 2019 to December 31, 2019).

7. Other matters necessary for investors' appropriate understanding/judgment of the concerned information

With respect to the risks associated with the New Borrowing and the Interest Rate Swap Agreement, please refer to the content of "Investment Risks" stated in the securities report for the fiscal period ended December 2018 (from July 1, 2018 to December 31, 2018) (available in Japanese only) filed on March 26, 2019.

Website of INV: <http://www.invincible-inv.co.jp/eng/>

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■Change in balance of interest-bearing liabilities (anticipated)

(Unit : JPY million)

	Before the New Borrowing (As of June 13, 2019)	After the New Borrowing (As of June 17, 2019)	Increase (Decrease)
Total loans	224,774	224,774	—
Total investment corporation bonds	4,000	4,000	—
Total interest-bearing liabilities	228,774	228,774	—
Total appraisal value of assets owned by INV ¹	493,265	493,265	—
LTV (based on appraisal value) ² (%)	46.4	46.4	—

(Note 1) As to “Total appraisal value of assets owned by INV”, among the 131 properties owned by INV as of today (including preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel and the overseas real estate assets (which are “The Westin Grand Cayman Seven Mile Beach Resort & Spa” and “Sunshine Suites Resort”) as well as Spacia Ebisu, which INV has already determined to sell), the appraisal value for the 130 properties (excluding preferred equity interest in the TMK) is based on the appraisal value stated in the appraisal reports on the valuation date of December 31, 2018. For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV’s investment amount) of such preferred equity interest, JPY 17,845 million, is deemed as the appraisal value and included. The appraisal value of overseas real estate assets was translated into JPY based on the exchange rate of 1 USD=110.45 JPY which is the foreign exchange forward rate under the foreign exchange forward agreement which we entered into on July 26, 2018 and became effective as of September 26, 2018.

(Note 2) “LTV (based on appraisal value)” in the above table is calculated according to the following formula:

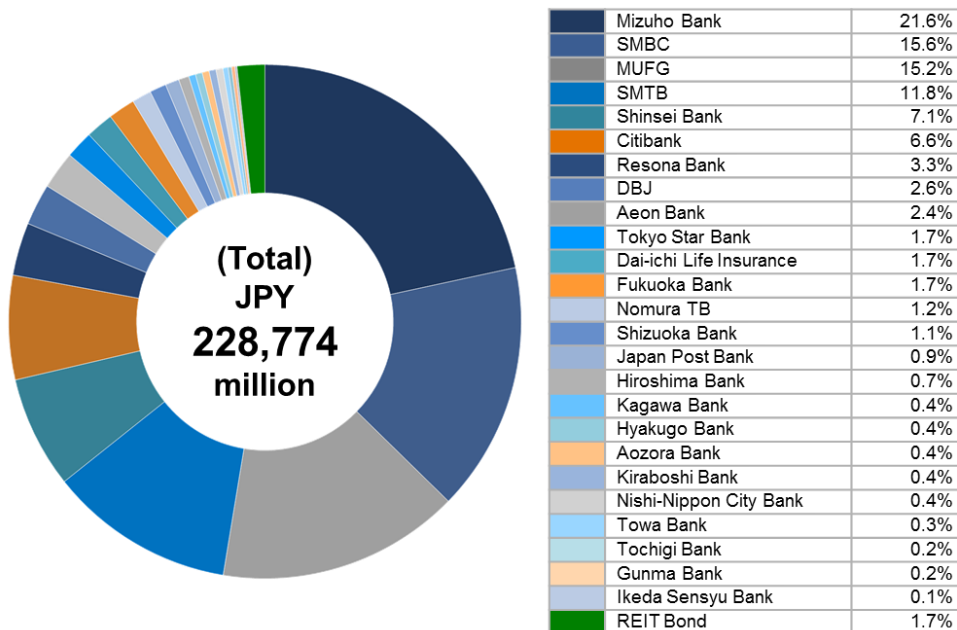
$$\text{LTV (based on appraisal value)} = \frac{\text{Total interest-bearing liabilities (excluding short-term consumption tax loan)}}{\text{Total appraisal value of assets owned by INV}} \times 100$$

“Total interest-bearing liabilities” does not include the interest-bearing liabilities of the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset.

Moreover, while INV disposed of Royal Parks Tower Minami-Senju (the “Property”) on June 7, 2019, the sale proceeds were not appropriated to repayment of existing loans since INV plans to retain substantially all of the sale proceeds in order to acquire additional assets in the future as a part of its asset replacement strategy. Therefore, LTV (based on appraisal value) is higher than before the disposition of the Property, but it is anticipated to be lower after such acquisition of additional assets. However, we have not determined any specific acquisitions as of today, and we will announce promptly when determined. Please refer to “Notice concerning Sale of Domestic Trust Beneficiary Interest” dated May 28, 2019 for details of the disposition of the Property.

(Note 3) The amounts are rounded down to the nearest million yen. The percentages are rounded to the nearest one decimal place.

■ Lender formation after the New Borrowing (anticipated)



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